

October 18, 1991

TO: Wayne Hedberg, Permit Supervisor

FROM: Holland Shepherd, Senior Reclamation Specialist *HWS*

RE: **9-13-91 Response from Hecla to Division's Review of Tailings Pond Reclamation, Escalante Silver Mine, M/021/004, Iron County, Utah**

Hecla submitted a response letter to the Division on 9-13-91. This memo reviews Hecla's response to the Division's latest review letter of 4-29-91.

I am in concurrence with all Hecla's 9-13-91 commitments and proposals, except for those addressing the reclamation surety. Also, Hecla is unable, at this time, to commit to any further information regarding the barrow areas, which I feel is justified because of approvals and information pending on the part of the BLM.

The reclamation surety should be evaluated on the full amount and escalated over a five year period. The bond can be reduced once reclamation work is performed, not before. The Division needs to obtain a bond from Hecla asap, to avoid our further liability. The site may continue to go unreclaimed beyond the 1 year time frame described by Hecla. I feel that the bond should also contain something for short term groundwater monitoring.

I received a call from Gary Gamble of Hecla today. He indicated that Hecla would not be able to meet the Nov. 15th deadline because of delays regarding the barrow area permitting. I suggested that we might go ahead and tentatively approve the permit with the condition that the operator update the permit with the barrow area information as soon as it became available. Tentative approval would also be contingent upon our mutual agreement on a reclamation surety.

Mr. Gamble suggested that the Division and Hecla meet to discuss the tentative approval and conditions. He suggested that we try to meet in two weeks the 30 or 31 of October.



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October 16, 1991

TO: Holland W. Shepherd, Permit Lead

FROM: Anthony A. Gallegos, Reclamation Engineer *daa*

RE: Hecla Mining Co., Escalante Silver Mine, M/021/004, Iron County, Response Letter dated September 13, 1991

I have reviewed Hecla's response to the Division letters of April 29 and August 23, 1991. Hecla has agreed to most of the terms listed in our conditional approval letter which I had concerns with. Hecla has agreed to meet the remainder of my concerns by providing information or statements in their next Division response.

The Division has allowed partial bond releases in the past and so this precedent is already set. I find Hecla's proposal for incremental bond release to be reasonable in general, however, the proposal for escalating only a portion of the bond may not be acceptable.

Hecla's situation is somewhat unique in that their operations have ceased and they are ready to reclaim, but if this escalation proposal is accepted it may set an undesirable precedent for other mine operators to follow. For example, if an operator is going to use concurrent reclamation, then they may request an incremental annual decrease in the bond amount and escalation for the annual amount remaining only. This would create a big headache for the person in charge of tracking the bonds. This is akin to saying, we know you are going to reclaim this site reeeal soon so we'll just ask you to post a bond for the revegetation costs. I don't envision this condition happening often, but some operator in a financial bind may request this.

Is this call regarding partial escalation up to the Division or the Board? Lets discuss further.